

Message Text

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ORIGIN COME-00

INFO OCT-01 EUR-25 ISO-00 EB-11 RSC-01 /038 R

66618

DRAFTED BY COM/R.STECHSCHULTE

APPROVED BY EB/OCA/REP:LAKLIEFORTH

COMM/EE/BEWT/RSEVERANCE

EB/EWT:SHAAS

COMM/OEWTD/BEWT/SABRAHAMSXON

EUR/EE:DMILLER

----- 011784

R 212054Z AUG 74

FM SECSTATE WASHDC

TO AMEMBASSY BUCHAREST

AMEMBASSY BUDAPEST

AMEMBASSY PRAGUE

AMEMBASSY WARSAW

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E.O. 11652: N/A

TAGS: BEXP, RO, HU, CZ, PL

SUBJ: THE MARKET FOR MANAGEMENT TRAINING COURSES IN
EASTERN EUROPE

1. KEPNER-TREGOE INC., A WELL KNOWN MANAGEMENT TRAINING
ORGANIZATION WITH HEADQUARTERS IN PRINCETON, NEW JERSEY
AND OFFICES THROUGHOUT THE WORLD, IS INTERESTED IN
EXPLORING THE POSSIBILITY OF MARKETING THEIR
MANAGEMENT TRAINING PROGRAM IN EASTERN EUROPE, STARTING
WITH THE ADDRESSEE COUNTRIES. KEPNER-TREGOE INC. HAS HAD
GENERAL WITH MANAGEMENT DEVELOPMENT ORGANIZATIONS IN
THESE COUNTRIES AND IS CONVINCED THAT THERE IS GREAT
INTEREST IN IMPROVING MANAGEMENT PRACTICES. KT TRAINS
MANAGERS BY EMPHASIZING NOT CONTENT (FACTUAL KNOWLEDGE)
BUT PROCESS, I.E. THE DEVELOPMENT OF THINKING SKILLS
NEEDED TO ANALYZE DIFFICULTIES, TEST NEW IDEAS, DEVELOP
OPTIMUM COURSES OF ACTION, ETC. KT ALSO CONDUCTS
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SIMILAR TRAINING FOR PRODUCTION LINE "TROUBLE SHOOTERS."

2. KT IS UNCERTAIN HOW TO MAKE THE STEP FROM GENERAL, MORE OR LESS PHILOSOPHICAL DISCUSSIONS TO THE SALE OF ITS PROGRAM. QUESTIONS TO WHICH THE COMPANY IS TRYING TO FIND ANSWERS INCLUDE: (1) WHAT IS THE MOST APPROPRIATE END-USER FOR COVERING THE COUNTRY AS A WHOLE AND, IN THIS PARTICULAR CASE, IS IT BEST TO WORK EXCLUSIVELY WITH THE POTENTIAL END-USER OR ALSO WITH THE APPROPRIATE FOREIGN TRADE ORGANIZATION? IF THE LATTER, WHICH FTO? (2) WOULD THESE COUNTRIES BE WILLING TO SPEND FOREIGN EXCHANGE FOR MANAGEMENT TRAINING? (3) ONE POSSIBLE APPROACH WOULD BE TO LICENSE AN APPROPRIATE ORGANIZATION IN THE COUNTRY TO USE KEPNER-TREGOE'S THOUGH DEVELOPMENT PROCESS AND EXTRACT A ONE-TIME ROYALTY BASED ON ESTIMATED DEMAND FOR THE LIFE OF THE LICENSE. SUFFICIENT MATERIALS, THE SALE OF WHICH IS THE MONEY-MAKING PART OF KT'S OPERATION, WOULD THEN BE PROVIDED FOR THAT ESTIMATED DEMAND AND THE ROYALTY WOULD IN REALTY BE THE PAYMENT FOR THESE MATERIALS. IS THIS APPROACH FEASIBLE? WHAT OTHER APPROACHES MIGHT BE POSSIBLE? (4) SINCE THE TRAINING MATERIALS FALL IN THE CATEGORY OF EDUCATIONAL PUBLICATIONS, USUALLY EXCEPTED FROM EAST EUROPEAN COPYRIGHT PROTECTION, WOULD THE AUTHORITIES BE LIKELY TO TRY TO PURCHASE ONLY A FEW SETS OF THE MATERIALS AND THEN PRINT SUFFICIENT COPIES TO MEET THEIR INTERNAL NEEDS? (5) WHAT IS THE POSSIBILITY OF SELLING TO ONE CEMA COUNTRY AND HAVING THAT COUNTRY PASS THE MATERIAL TO OTHER MEMBER COUNTRIES? THE ORGANIZATIONS WITH WHICH KEPNER-TREGOE HAS HAD DISCUSSIONS ARE THE FOLLOWING: ROMANIA; ACADEMIA STEFAN GHEORGHIU; HUNGARY: MTESZ; CZECHOSLOVAKIA: PRAGUE SCHOOL OF ECONOMICS (ING. VOPICAK, HEAD OF THE DEPARTMENT OF MANAGEMENT); PLAND: SCIENTIFIC SOCIETY FOR ORGANIZATION AND MANAGEMENT (TNOIK) (J. LUTOSLAWSKI, VICE PRESIDENT). ACTION REQUESTED: WOULD APPRECIATE POSTS' COMMENTS ON THE GENERAL CONCEPT OF WHAT KEPNER-TREGOE IS TRYING TO DO AND WHETHER THERE ARE ANY PRECEDENTS. WOULD ALSO APPRECIATE COMMENTS ON THE QUESTIONS LISTED AND EMBASSY VIEWS ON OTHER QUESTIONS AND/OR PROBLEMS FIRM SHOULD

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CONSIDER. FRED R. SIDON, GENERAL MANAGER, INTERNATIONAL, AND BEN TREGOE ONE OF THE FOUNDERS OF THE FIRM, TENTATIVELY PLAN TO VISIT ADDRESSEE COUNTRIES IN NOVEMBER. REALIZE THAT PERSONNEL RESOURCES AT SOME POSTS MAY PRECLUDE COMPREHENSIVE REPLY. KISSINGER

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 21 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE183574
Document Source: CORE
Document Unique ID: 00
Drafter: R.STECHSCHULTE
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740231-0465
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740829/aaaaayjs.tel
Line Count: 112
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 28 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 MAY 2002 by rowelle0>; APPROVED <23-Sep-2002 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: THE MARKET FOR MANAGEMENT TRAINING COURSES IN EASTERN EUROPE
TAGS: BEXP, RO, HU, CZ, PL
To: BUCHAREST MULTIPLE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005